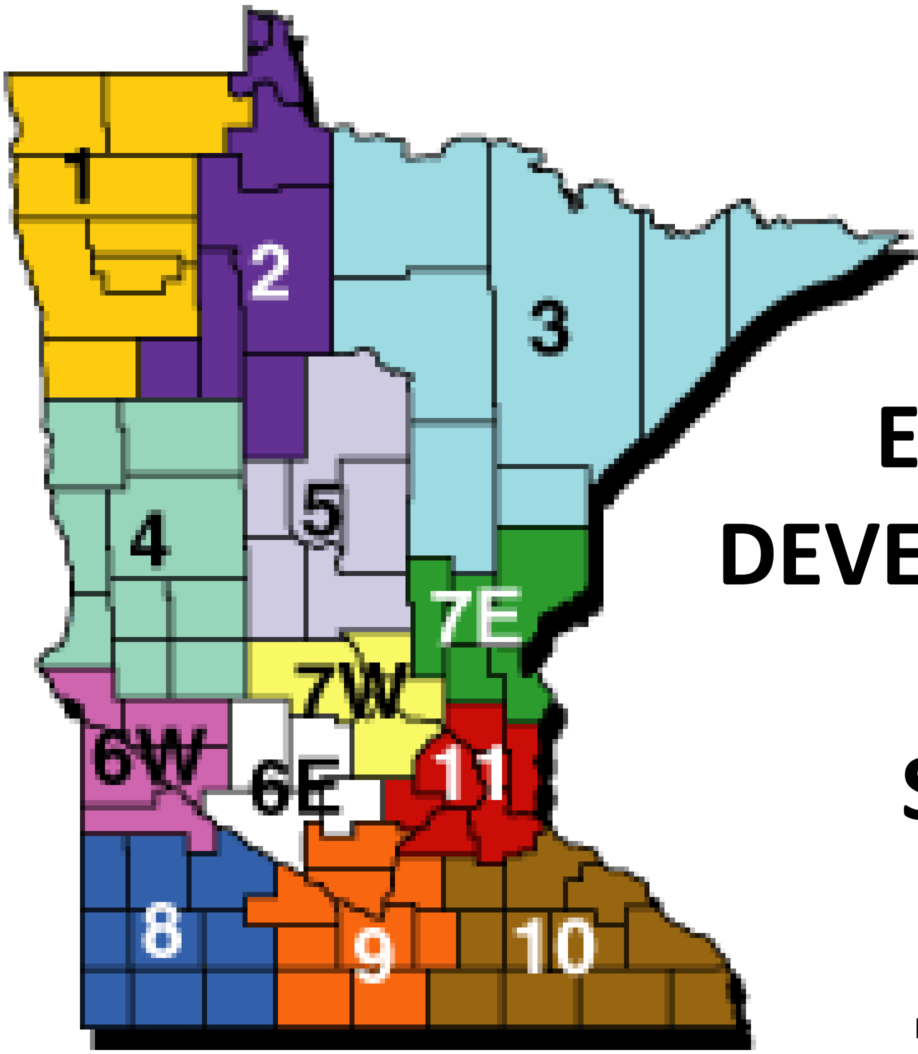

ECONOMIC DEVELOPMENT REGION 8: Southwest

Covers counties:
Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, and Rock

2015 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

Economic Development Region 8 – Southwest includes a total of 9 counties, located in the Southwest Minnesota planning region. Region 8 was home to 117,764 people in 2014, comprising 2.2 percent of the state's total population. One of only three economic development regions (EDRs) to see a population decline from 2000 to 2014, Region 8 lost 3,953 residents since 2000, a -3.2 percent decline. In comparison, the state of Minnesota saw a 10.9 percent gain from 2000 to 2014 (see Table 1). Lincoln County saw the fastest population decline in the region and the 11th fastest decline of the 87 counties in the state, followed by Jackson County with the 13th fastest decline, Redwood and Murray County with the 15th and 16th fastest decline, respectively, and Pipestone was the 21st fastest declining county in the state.

Table 1. Population Change 2000-2014

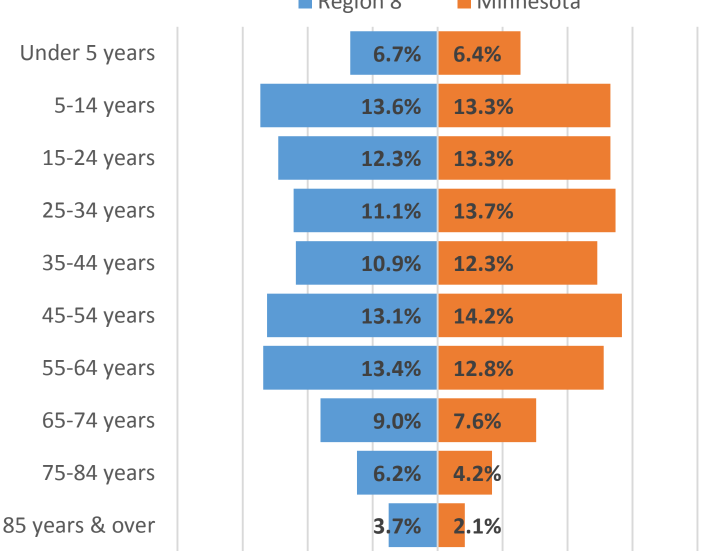
	2000 Population	2014 Estimates	*2000-2014 Change*	
			Number	*Percent*
Region 8	**121,717**	**117,764**	***-3,953***	***-3.2%***
Cottonwood Co.	12,167	11,633	*-534*	*-4.4%*
Jackson Co.	11,268	10,269	*-999*	*-8.9%*
Lincoln Co.	6,429	5,788	*-641*	*-10.0%*
Lyon Co.	25,425	25,665	*+240*	*+0.9%*
Murray Co.	9,165	8,470	*-695*	*-7.6%*
Nobles Co.	20,832	21,590	*+758*	*+3.6%*
Pipestone Co.	9,895	9,281	*-614*	*-6.2%*
Redwood Co.	16,815	15,515	*-1,300*	*-7.7%*
Rock Co.	9,721	9,553	*-168*	*-1.7%*
State of Minnesota	**4,919,479**	**5,457,173**	***+537,694***	***+10.9%***

Source: U.S. Census Bureau, Population Estimates

POPULATION BY AGE GROUP, 2000-2013

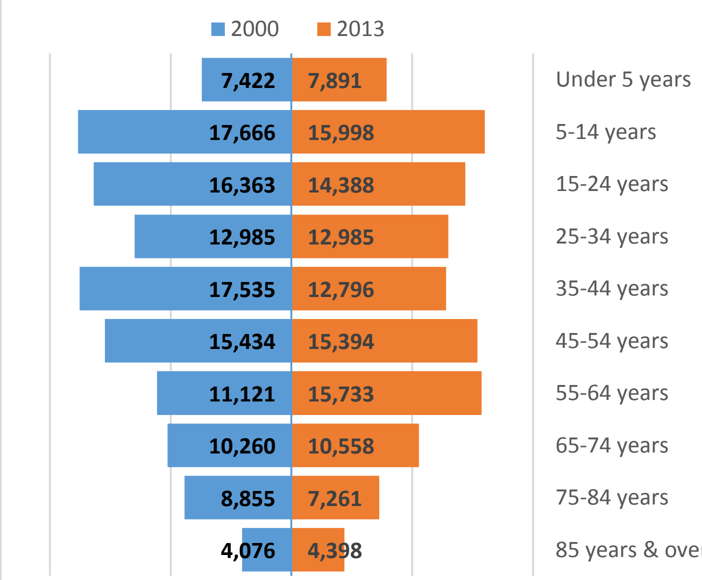
Region 8 has both a slightly younger *and* a much older population than Minnesota. While the percentage of the population aged 14 years and younger in the region matched the state, the region's percentage of older residents was 5 percent higher than the state. In Region 8, 18.9 percent of the population was 65 years and over, compared to 13.9 percent statewide. Consequently, Region 8 had a much lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years." More than one-fourth of the region's population was a part of the Baby Boom generation, born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of young residents is declining, the number of residents aged 55 years and over was rapidly increasing (see Figure 1 and Figure 2).

Figure 1. Percentage of Population by Age Group, 2013



Source: U.S. Census Bureau, American Community Survey

Figure 2. Region 8 Population Pyramid, 2000-2013



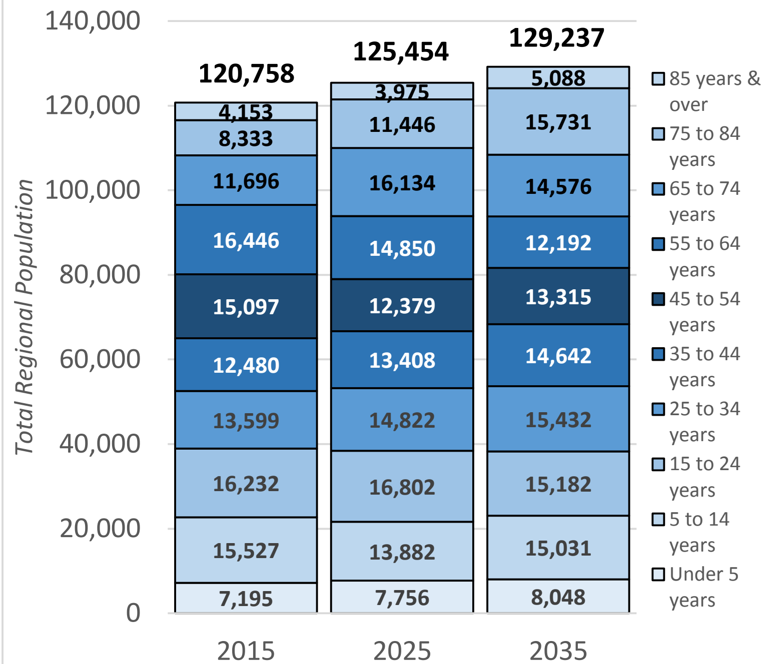
Source: U.S. Census Bureau, American Community Survey

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

After several decades of population declines, Region 8 is projected to enjoy a population increase in the next 20 years. According to population projections from the [Minnesota State Demographic Center](), Region 8 is expected to gain nearly 8,500 net new residents from 2015 to 2035, a 7.0 percent increase (see Figure 3). In comparison, the state of Minnesota is projected to grow 10.8 percent.

Much of this population growth is expected to be in the older age groups. Region 8 is projected to add more than 11,000 people aged 65 years and over, a 46 percent increase. The region is also expected to gain people in the 25- to 44-year-old age group, as well as a corresponding increase in children under 5 years of age. In contrast, Region 8 is expected to lose school-aged children and young adults from 5 to 24 years of age, as well as people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

Figure 3. Region 8 Population Projections by Age Group, 2015-2035



Source: Minnesota State Demographic Center

POPULATION BY RACE, 2013

Region 8's population is less diverse than the state's, but is becoming more diverse over time. In 2013, just over 91 percent of the region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. The region had about the same percentage of American Indian and Alaska Natives as the state (1.0%), but a smaller percentage of Black or African American residents, Asian or Other Pacific Islanders, or people of Two or More Races. However, at 7.4 percent, Region 8 had a higher percentage of people reporting Hispanic or Latino origin than the state, and a higher percentage of people of Some Other Race (see Table 2).

Nobles County had the most diverse populace in the region, with just 86.2 percent of residents reporting White alone as their race, and 26.3 percent of residents reporting Hispanic origin, the highest rate in the state. The number of Black residents and people of Hispanic or Latino origin doubled in the past 13 years.

Table 2. Race and Hispanic Origin, 2013	Region 8			Minnesota	
	Number	Percent	*Change from 2000-2013*	Percent	*Change from 2000-2013*
Total	**118,620**	**100.0%**	***-2.5%***	**100.0%**	***+8.7%***
White	108,182	91.2%	*-5.7%*	85.6%	*+4.0%*
Black or African American	1,738	1.5%	*+130.2%*	5.2%	*+63.0%*
American Indian & Alaska Native	1,216	1.0%	*+27.3%*	1.1%	*+4.6%*
Asian & Other Pac. Islander	3,352	2.8%	*+83.3%*	4.2%	*+56.9%*
Some Other Race	2,649	2.2%	*+12.4%*	1.4%	*+17.4%*
Two or More Races	1,483	1.3%	*+33.5%*	2.5%	*+59.6%*
Hispanic or Latino	8,794	7.4%	*+100.5%*	4.8%	*+79.3%*

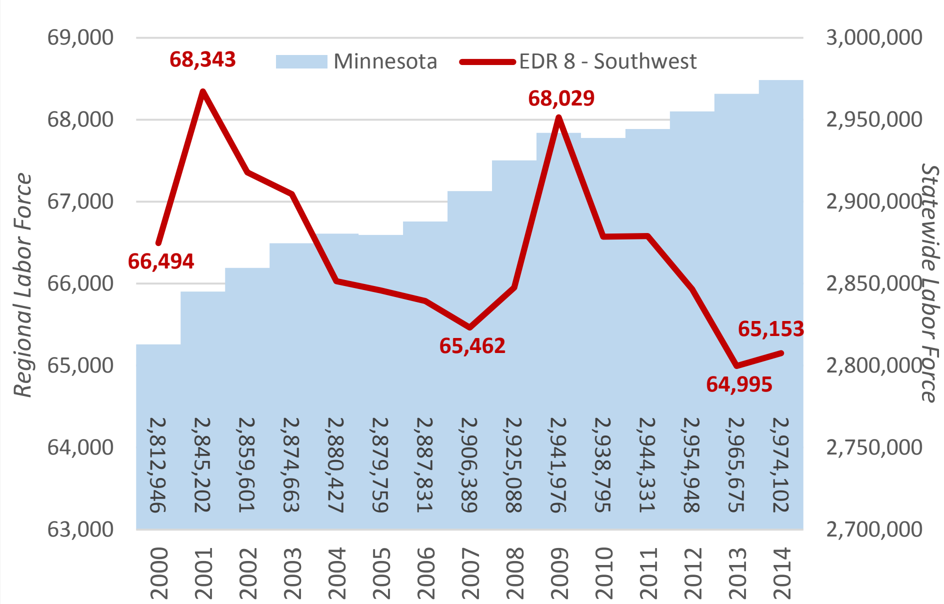
Source: [U.S. Census Bureau, American Community Survey]()

LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED's [Local Area Unemployment Statistics]() program, Region 8 had an annual average labor force count of just over 65,000 workers through 2014. In line with the region's population decline, Region 8 lost about 900 workers over the last decade, from 66,031 available workers in 2004 to 65,153 workers in 2014. The region's 1.3 percent decline was the fourth largest drop of the 13 EDRs in the state. With low unemployment rates, the labor market in the region is extremely tight, with all 9 counties reporting fewer than 500 unemployed workers, including four counties that had fewer than 200 unemployed workers that were actively seeking work (see Figure 4).

Figure 4. Annual Labor Force Estimates, 2000-2014



Source: DEED Local Area Unemployment Statistics (LAUS)

LABOR FORCE PROJECTIONS, 2015-2025

Applying current labor force participation rates to future population projections by age group, as shown in Figure 3 above, would lead to a slight increase in workforce numbers in Region 8 through 2025 (see Table 3).

Table 3. Region 8 Labor Force Projections

	2015 Labor Force Projection	2025 Labor Force Projection	*2015-2025 Change*	
			Numeric	*Percent*
16 to 19 years	3,610	3,737	*+127*	*+3.5%*
20 to 24 years	6,550	6,780	*+230*	*+3.5%*
25 to 44 years	23,471	25,407	*+1,936*	*+8.2%*
45 to 54 years	13,316	10,918	*-2,397*	*-18.0%*
55 to 64 years	12,548	11,331	*-1,218*	*-9.7%*
65 to 74 years	3,895	5,373	*+1,478*	*+37.9%*
75 years & over	787	972	*+185*	*+23.5%*
Total Labor Force	**64,176**	**64,516**	***+340***	***+0.5%***

Source: [Minnesota State Demographic Center](), [2009-2013 American Community Survey 5-Year Estimates]()

In addition to the changing size, the labor force will also see a significant shift in composition over time, with large gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. However, the region is still expected to see a gains in the number of workers aged 16 to 44 years, and the 25 to 54 year old age group will still be the largest part of the labor force, still accounting for about 56 percent of the total workforce (see Table 3). This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

EMPLOYMENT CHARACTERISTICS, 2013

With just 67.5 percent of the population aged 16 years and over in the labor force, Region 8 had lower labor force participation rates than the state's 70.3 percent. However, the region actually had higher labor force participation rates than the state in all but one age group, yet the overall rate was lower because a higher percentage of Region 8's labor force was older (see Table 4).

Table 4. Employment Characteristics, 2013

	Region 8			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	**62,851**	**67.5%**	**4.9%**	**70.3%**	**7.1%**
16 to 19 years	3,628	55.6%	13.7%	50.9%	20.2%
20 to 24 years	5,421	80.7%	8.4%	81.6%	11.2%
25 to 44 years	23,580	90.0%	5.2%	88.2%	6.3%
45 to 54 years	14,548	88.2%	3.2%	87.5%	5.6%
55 to 64 years	11,620	76.3%	2.7%	71.7%	5.5%
65 to 74 years	3,325	33.3%	3.8%	26.5%	4.5%
75 years & over	748	6.3%	3.5%	5.8%	4.6%
Employment Characteristics by Race & Hispanic Origin					
White alone	58,431	67.6%	4.4%	70.5%	6.3%
Black or African American	698	58.3%	22.2%	67.6%	17.5%
American Indian & Alaska Native	408	47.8%	11.5%	60.1%	18.8%
Asian or Other Pac. Islanders	1,616	69.4%	6.1%	69.8%	8.5%
Some Other Race	1,223	76.5%	13.8%	77.6%	10.9%
Two or More Races	448	74.4%	12.7%	69.0%	14.4%
Hispanic or Latino	3,983	74.8%	11.5%	75.1%	10.4%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	3,561	84.0%	6.5%	77.8%	7.7%
Employment Characteristics by Disability					
With Any Disability	3,365	59.2%	11.5%	51.6%	14.6%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	49,741	85.9%	4.0%	84.2%	5.9%
Less than H.S. Diploma	3,554	72.5%	8.3%	66.9%	14.6%
H.S. Diploma or Equivalent	16,145	83.9%	4.8%	79.4%	8.0%
Some College or Assoc. Degree	19,022	88.5%	3.8%	85.6%	6.1%
Bachelor's Degree or Higher	11,025	89.9%	1.8%	89.1%	3.4%

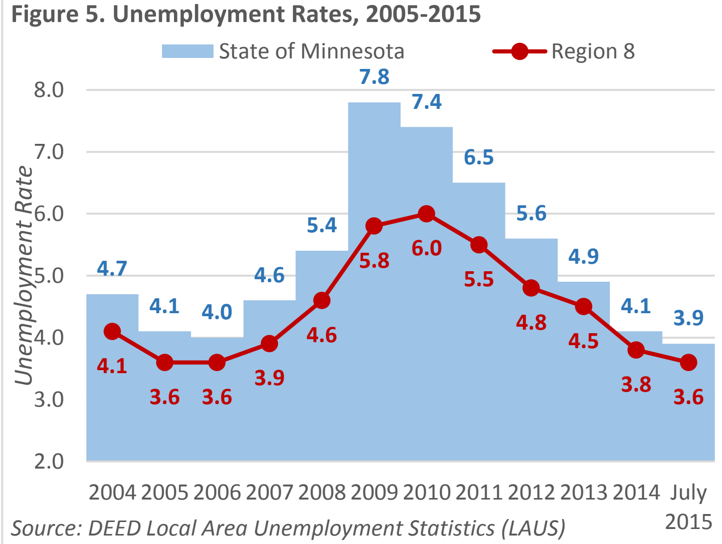
Source: 2009-2013 American Community Survey, 5-Year Estimates

In contrast, the region had lower participation rates than the state for all but one race group; and had large unemployment rate disparities for most minority groups, with the exception of Asian or Other Pacific Islanders. Region 8 had about 3,500 veterans and 3,365 workers with disabilities in the labor force, with both having lower unemployment rates in the region than the state. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

UNEMPLOYMENT RATE, 2005-2015

Region 8 has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to the Local Area Unemployment Statistics program, Region 8's unemployment rate hovered about a half percent below the state rate from 2004 to 2007, dipping to 3.6 percent in both 2005 and 2006 (see Figure 5). Region 8 was home to four of the six lowest county unemployment rates in the state, led by Rock County at 2.3 percent, and followed by Pipestone at 2.8 percent, Lincoln at 3.1 percent, and Lyon County at 3.1 percent.

Figure 5. Unemployment Rates, 2005-2015



Source: DEED Local Area Unemployment Statistics (LAUS)

COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the U.S. Census Bureau, the vast majority – about 70 percent – of workers in the region also live within the region. However, Region 8 is a net importer of labor, having slightly more jobs than available workers and having to draw workers in from surrounding counties. In sum, 44,218 workers both lived and worked in Region 8 in 2012, while another 18,877 workers drove into the region for work, compared to 16,527 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

Table 5. Region 8 Inflow/Outflow Job Counts (All Jobs), 2013	2013	
	Count	Share
Employed in the Selection Area	63,095	100.0%
Employed in the Selection Area but Living Outside	18,877	29.9%
Employed and Living in the Selection Area	44,218	70.1%
Living in the Selection Area	60,745	100.0%
Living in the Selection Area but Employed Outside	16,527	27.2%
Living and Employed in the Selection Area	44,218	72.8%

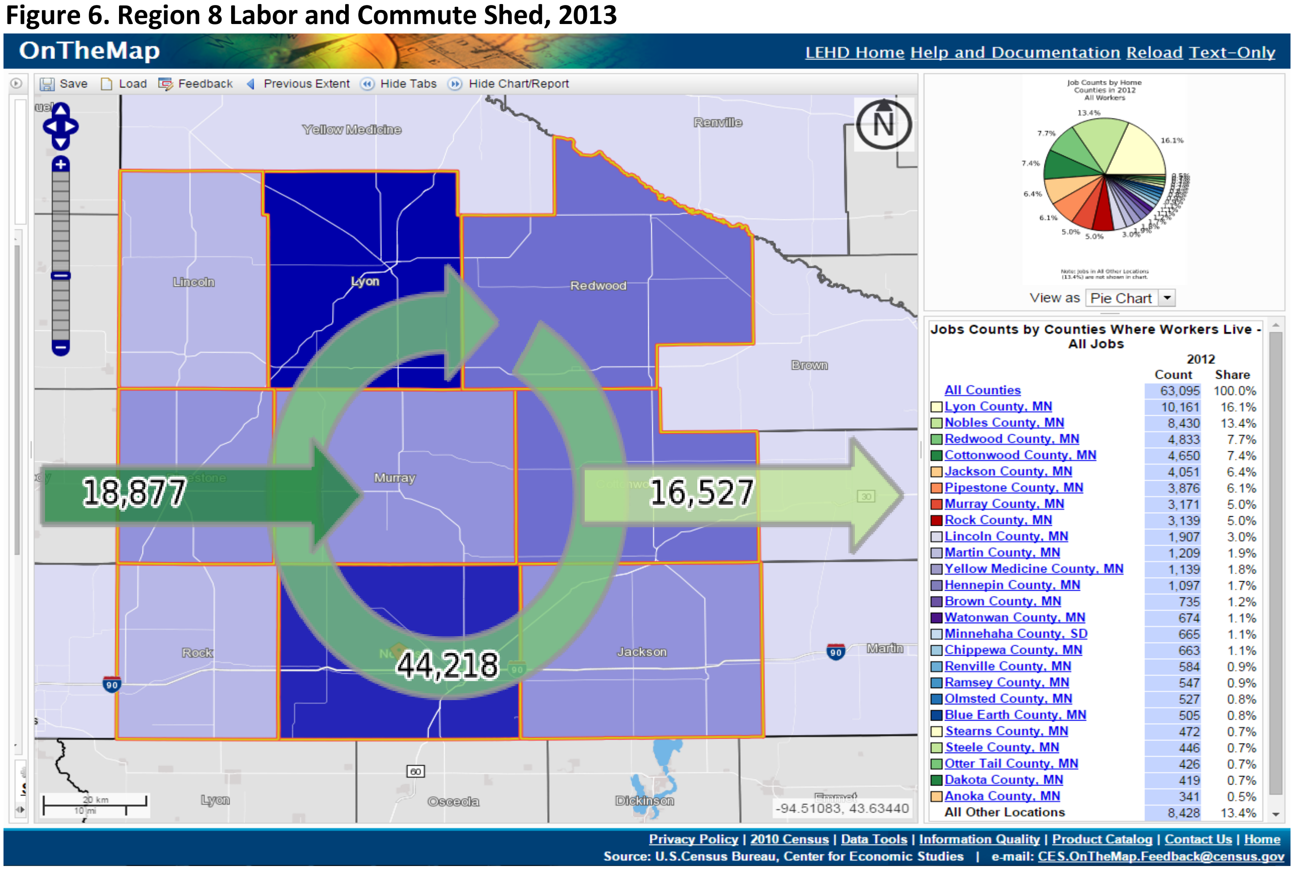
Source: U.S. Census Bureau, OnTheMap

Home to Marshall, Lyon County is the largest employment center in the region and was the biggest draw for workers, followed by Nobles, Redwood, Cottonwood, Jackson, and Pipestone County. Employers in the region draw workers from surrounding counties like Martin, Brown, and Watonwan, as well as Minnehaha County in South Dakota, which includes the Sioux Falls Metropolitan Statistical Area. In contrast, the region also sends workers out of the region, but primarily to larger metro areas including Sioux Falls, as well as the Twin Cities and Mankato (see Table 6 and Figure 6).

Table 6. Region 8 Commuting Patterns	
Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to
Martin Co. MN	Minnehaha Co. SD
Hennepin Co. MN	Hennepin Co. MN
Brown Co. MN	Blue Earth Co. MN
Watonwan Co. MN	Brown Co. MN
Minnehaha Co. SD	Ramsey Co. MN

Source: U.S. Census Bureau, OnTheMap

Figure 6. Region 8 Labor and Commute Shed, 2013

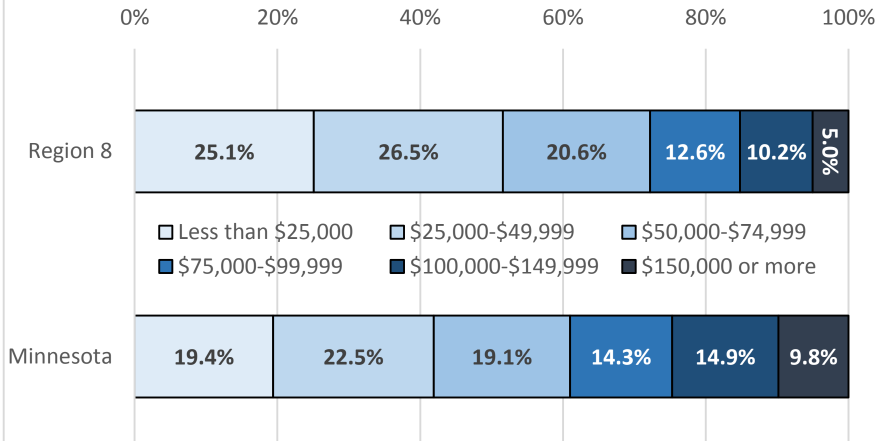


INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Region 8 than the rest of the state. Median household incomes ranged from $45,294 in Cottonwood County, which was the 13th lowest of 87 counties in the state, to $52,160 in Murray County, which was the 34th highest. Over half (51.6%) of the households in Region 8 had incomes below $50,000 in 2013, compared to 42.4 percent statewide. About one-third of households earned between $50,000 and $100,000 in the region. In contrast, only 15.2 percent of households in Region 8 earned over $100,000 per year, compared to nearly 25 percent of households statewide (see Figure 7).

Figure 7. Household Incomes, 2013

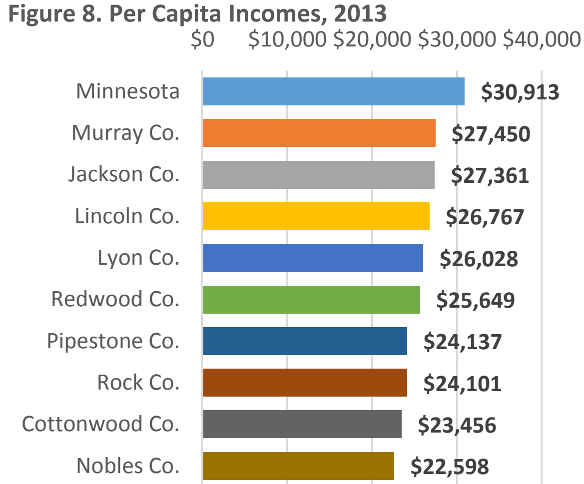


Source: U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates

PER CAPITA INCOMES

Per capita incomes were also lower in the region than the state, ranging from $22,598 in Nobles County to $27,450 in Murray County (see Figure 8).

Figure 8. Per Capita Incomes, 2013



Source: American Community Survey

COST OF LIVING

According to DEED's [Cost of Living tool](), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was $50,988 in 2015. The cost of living for a similar family in Region 8 was $40,200 – which was the lowest of the 13 EDRs in the state. The highest monthly costs were for transportation, food, and housing; but the region's housing, child care, taxes, and transportation costs were significantly lower than the rest of the state (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario listed above would need to earn $12.88 per hour.

Table 7. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2015

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs: Child Care	Food	Health Care	Housing	Trans-portation	Other	Taxes
Region 8	$40,200	$12.88	$194	$770	$400	$660	$921	$200	$205
Minnesota	$50,988	$16.34	$443	$772	$405	$907	$1,039	$235	$448

Source: DEED Cost of Living tool

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Region 8 was $14.79 in the first quarter of 2015, which was the second lowest wage level of the 13 EDRs in the state. Region 8's median wage was nearly $4.00 below the state's median hourly wage, equaling 79.3 percent of the statewide wage rate, and almost $6.00 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to nearly $12,000 per year for a full-time worker. Region 8 had lower wages than surrounding regions like Region 6W at $15.34, Region 6E at $16.42, and Region 9 at $15.99 (see Table 8).

Table 8. Occupational Employment Statistics by Region, 1st Qtr. 2015	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	$16.39	36,130
EDR 2 - Headwaters	$15.77	27,330
EDR 3 - Arrowhead	$16.58	141,800
EDR 4 - West Central	$15.66	83,540
EDR 5 - North Central	$14.37	56,050
EDR 6E - Southwest Central	$16.42	46,490
EDR 6W - Upper MN Valley	$15.34	18,380
EDR 7E - East Central	$16.43	44,580
EDR 7W - Central	$16.80	172,200
EDR 8 - Southwest	**$14.79**	**53,380**
EDR 9 - South Central	$15.99	105,260
EDR 10 - Southeast	$17.74	253,990
EDR 11 - 7-County Twin Cities	$20.49	1,691,650
State of Minnesota	**$18.65**	**2,730,020**

Source: DEED Occupational Employment Statistics

Over 18 percent of the jobs in Region 8 were production occupations, which was over twice as concentrated as in the state as a whole. Region 8 also had a higher share of workers in transportation and material moving; education, training, and library; healthcare support; personal care and service; installation, maintenance, and repair; and farming, fishing and forestry occupations (see Table 9).

Table 9. Region 8 Occupational Employment Statistics, 1st Qtr. 2015					**State of Minnesota**		
	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*	*Location Quotient*	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*
Total, All Occupations	**$14.79**	**53,380**	***100.0%***	***1.0***	**$18.65**	**2,730,020**	***100.0%***
Production	$14.67	9,810	*18.4%*	*2.3*	$16.61	217,830	*8.0%*
Office & Administrative Support	$14.77	6,570	*12.3%*	*0.8*	$17.27	409,100	*15.0%*
Sales & Related	$10.61	5,030	*9.4%*	*1.0*	$13.24	270,540	*9.9%*
Transportation & Material Moving	$14.30	4,510	*8.4%*	*1.4*	$16.18	167,130	*6.1%*
Education, Training, & Library	$17.89	3,460	*6.5%*	*1.1*	$22.72	156,090	*5.7%*
Healthcare Support	$11.39	3,170	*5.9%*	*1.8*	$13.63	89,360	*3.3%*
Healthcare Practitioners & Technical	$22.78	2,720	*5.1%*	*0.9*	$31.54	160,390	*5.9%*
Personal Care & Service	$10.54	2,690	*5.0%*	*1.1*	$11.11	120,000	*4.4%*
Food Preparation & Serving Related	$8.96	2,310	*4.3%*	*0.5*	$9.21	228,640	*8.4%*
Installation, Maintenance, & Repair	$18.63	2,140	*4.0%*	*1.2*	$21.52	94,310	*3.5%*
Management	$36.04	1,960	*3.7%*	*0.6*	$47.47	165,730	*6.1%*
Business & Financial Operations	$24.52	1,920	*3.6%*	*0.6*	$30.37	159,970	*5.9%*
Building & Grounds Cleaning & Maint.	$11.45	1,670	*3.1%*	*1.0*	$12.03	81,560	*3.0%*
Construction & Extraction	$18.62	1,600	*3.0%*	*0.9*	$24.88	91,240	*3.3%*
Community & Social Service	$19.49	750	*1.4%*	*0.8*	$20.51	49,210	*1.8%*
Architecture & Engineering	$28.42	680	*1.3%*	*0.7*	$34.76	50,980	*1.9%*
Protective Service	$18.22	600	*1.1%*	*0.7*	$19.43	43,660	*1.6%*
Computer & Mathematical	$30.60	520	*1.0%*	*0.3*	$37.96	91,560	*3.4%*
Life, Physical, & Social Science	$24.92	410	*0.8%*	*0.9*	$30.29	24,410	*0.9%*
Arts, Design, Entertainment & Media	$17.74	380	*0.7%*	*0.5*	$21.82	36,430	*1.3%*
Farming, Fishing, & Forestry	$14.29	310	*0.6%*	*4.4*	$14.41	3,570	*0.1%*
Legal	$28.59	170	*0.3%*	*0.5*	$38.48	18,330	*0.7%*

Source: DEED Occupational Employment Statistics, Qtr. 1 2015

Not surprisingly, the lowest-paying jobs are in food preparation and serving, personal care and service, sales and related, and building and grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 8 and the state is also lower in these jobs. In contrast, the highest paying jobs are found in management, computer, business and financial operations, healthcare practitioners, and architecture and engineering occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations.

JOB VACANCY SURVEY

Employers in Region 8 reported 2,405 job vacancies in the second quarter of 2015, a 22 percent increase compared to the previous year, and a 214 percent increase from the low point during the recession in the second quarter of 2009. Overall, 43 percent of the openings were part-time, and about one-fourth required postsecondary education or 1 or more years of experience. The median hourly wage offer for all openings was $11.66, but ranged from $8.00 for food prep workers to $29.16 for management jobs (see Table 10).

Table 10. Region 8 Job Vacancy Survey Results, 2nd Qtr. 2015

	Number of Total Vacancies	Percent Part-time	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	**2,405**	**43%**	**26%**	**28%**	**32%**	**$11.66**
Food Preparation & Serving Related	378	76%	0%	15%	10%	$8.00
Transportation & Material Moving	276	35%	1%	42%	68%	$9.90
Production	274	6%	2%	32%	1%	$11.06
Office & Administrative Support	265	59%	2%	15%	3%	$11.54
Sales & Related	211	45%	0%	21%	0%	$13.20
Healthcare Practitioners & Technical	180	53%	100%	23%	98%	$20.00
Healthcare Support	134	62%	83%	2%	88%	$10.89
Installation, Maintenance, & Repair	108	2%	57%	21%	5%	$14.78
Education, Training, & Library	102	56%	57%	35%	52%	$15.33
Building, Grounds Cleaning & Maint.	92	92%	0%	5%	4%	$8.96
Community & Social Service	81	8%	100%	66%	92%	$18.59
Arts, Design, Entertainment & Media	76	7%	1%	93%	0%	$12.16
Personal Care & Service	64	40%	3%	12%	27%	$11.84
Architecture & Engineering	36	0%	93%	67%	75%	$22.17
Business & Financial Operations	34	6%	89%	43%	5%	$16.74
Management	23	0%	96%	99%	58%	$29.16
Construction & Extraction	23	10%	6%	67%	63%	$19.75
Computer & Mathematical	17	0%	100%	45%	64%	$26.52
Protective Service	14	N/A	N/A	N/A	N/A	$8.84

Source: DEED Job Vacancy Survey, Qtr. 2 2015

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, about 180 occupations are showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees.

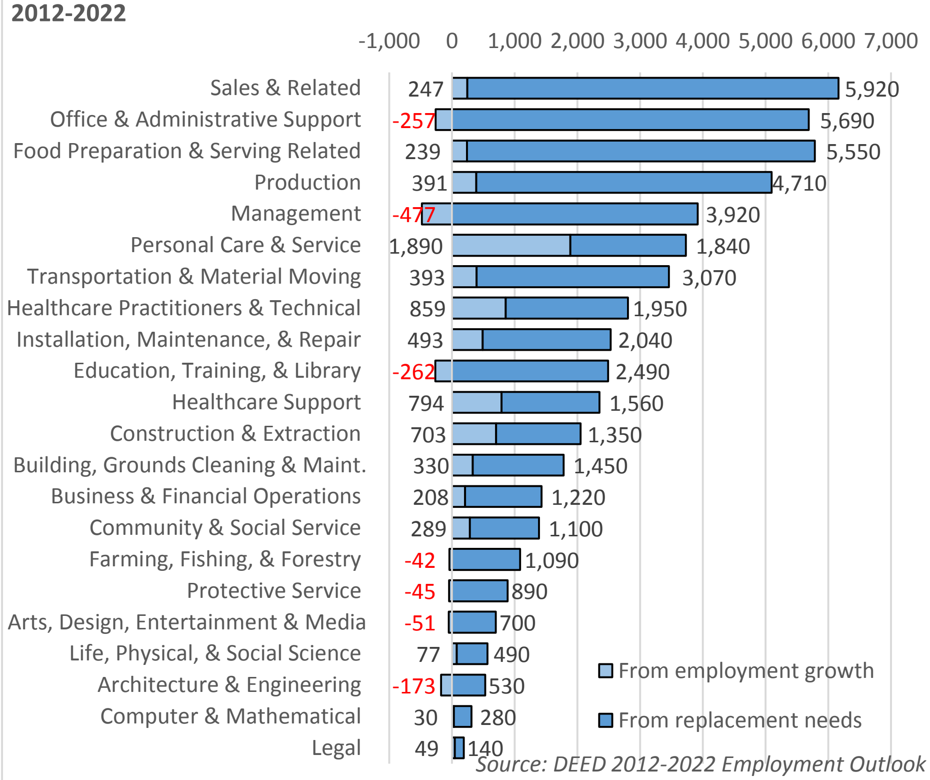
These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, nursing assistants, slaughterers and meat packers, and heavy and tractor trailer truck drivers are the top three occupations based on the consistent need for workers in these fields. Six of the top 25 jobs are in manufacturing, 6 more are in health care, and 5 are in transportation (see Table 11).

Table 11. Region 8 Occupations in Demand by Education Level, 2014			
Less than High School	**High School or Equivalent**	**Some College or Assoc. Degree**	**Bachelor's Degree or Higher**
Slaughterers & Meat Packers ($27,909)	Automotive Service Techs. & Mechanics ($32,543)	Nursing Assistants ($23,478)	Securities, Commodities, & Financial Salespeople ($71,734)
Cashiers ($19,086)	Welders, Cutters, Solderers, & Brazers ($43,902)	Heavy & Tractor-Trailer Truck Drivers ($36,246)	Family & General Practitioners ($194,199)
Combined Food Preparation & Serving Workers ($18,181)	Maintenance & Repair Workers, General ($37,408)	Licensed Practical & Licensed Vocational Nurses ($37,113)	Financial Managers ($81,786)
Retail Salespersons ($20,931)	Driver/Sales Workers ($26,705)	Registered Nurses ($59,979)	Industrial Engineers ($73,081)
Laborers & Freight, Stock, & Material Movers ($30,910)	Customer Service Representatives ($30,678)	Medical Assistants ($28,800)	Industrial Production Managers ($77,503)
Personal Care Aides ($21,522)	Farm Equipment Mechanics & Service Technicians ($38,916)	First-Line Supervisors of Production Workers ($46,250)	Mechanical Engineers ($70,811)
Stock Clerks & Order Fillers ($20,461)	Office Clerks, General ($25,562)	Hairdressers, Hairstylists, & Cosmetologists ($24,875)	Physicians & Surgeons, All Other ($195,435)
Machine Feeders & Offbearers ($33,215)	Tellers ($23,986)	Wind Turbine Service Technicians ($49,172)	Secondary School Teachers ($47,289)
Packers & Packagers, Hand ($18,853)	Truck Mechanics & Diesel Engine Specialists ($36,113)	Computer Support Specialists ($38,352)	Internists, General ($173,441)
Home Health Aides ($22,834)	Social & Human Service Assistants ($31,123)	Veterinary Technologists & Technicians ($26,943)	Accountants & Auditors ($52,855)
			Source: DEED Occupations in Demand

EMPLOYMENT PROJECTIONS

Region 8 is a part of the larger 23-county Southwest Minnesota planning region, which also includes Region 6W and Region 9. The entire region is projected to grow 2.7 percent from 2012 to 2022, making it the slowest growing planning region in the state, which is expected to expand by 7.0 percent. The region could gain about 5,685 new jobs, but will also need to fill 48,000 replacement openings for existing jobs left vacant by retirements and other career changers. In fact, the number of replacement openings is expected to dwarf the number of new jobs in every group except for personal care and service occupations; primarily due to projected growth in personal care aides. Seven occupational groups will not see any new growth, but will still have demand for workers (see Figure 9).

Figure 9. Southwest Minnesota Employment Projections, 2012-2022

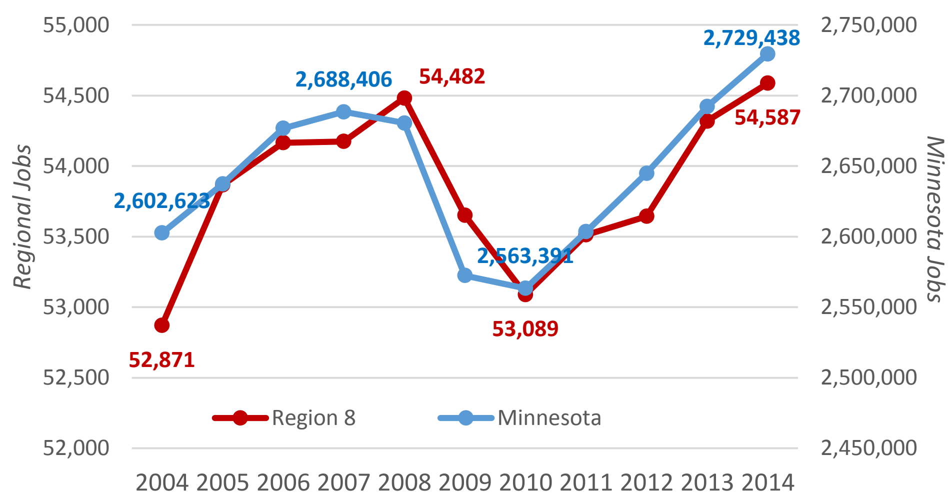


Source: DEED 2012-2022 Employment Outlook

ECONOMY

INDUSTRY EMPLOYMENT

Figure 10. Industry Employment Change, 2004-2014



Source: DEED Quarterly Census of Employment & Wages (QCEW)

Region 8 has seen employment ups and downs over the past decade, but ended 2014 with 1,716 more jobs than it had in 2004. The region entered the recession later than the state, still experiencing job growth through 2008, before suffering severe declines in 2009 and 2010. Since then, Region 8 has seen a steady but slower recovery than the rest of the state, which gained jobs at a 6.5 percent clip from 2010 to 2014, compared to a 2.8 percent increase in the region. Region 8 reported a new record of 54,587 jobs in 2014, just ahead of the previous peak in 2008 (see Figure 10).

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Region 8 was home to 3,949 business establishments providing 54,587 covered jobs through 2014, with a total payroll of just over $1.9 billion. That was 2.0 percent of total employment in the state of Minnesota. Average annual wages were $35,100 in the region, which was $15,500 lower than the state's average annual wage, and the fifth lowest of the 13 EDRs.

Home to Marshall, Lyon County is the largest employment center in the region, with 14,873 jobs at 828 firms; followed by Worthington and Nobles County with 10,281 jobs at 625 firms. As shown above, the region gained jobs in the past five years; and 6 of the 9 counties in the region also added jobs since 2010, with the biggest gains in Jackson, Lyon, and Rock County. Cottonwood County suffered the biggest losses. Seven counties gained jobs in the past year, led by Pipestone and Nobles County (see Table 12).

Table 12. Region 8 Industry Employment Statistics, 2014

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	*2010-2014* Change in Jobs	*2010-2014* Percent Change	*2013-2014* Change in Jobs	*2013-2014* Percent Change
Region 8	**3,949**	**54,587**	**$1,917,435,861**	**$35,100**	***+1,498***	***+2.8%***	***+269***	***+0.5%***
Cottonwood Co.	394	4,734	$159,591,342	$33,696	*-460*	*-8.9%*	*-158*	*-3.2%*
Jackson Co.	354	5,743	$199,944,147	$34,788	*+606*	*+11.8%*	*+46*	*+0.8%*
Lincoln Co.	224	1,697	$54,984,224	$32,396	*-2*	*-0.1%*	*-40*	*-2.3%*
Lyon Co.	828	14,873	$574,853,476	$38,636	*+601*	*+4.2%*	*+18*	*+0.1%*
Murray Co.	334	2,959	$95,489,843	$32,240	*+91*	*+3.2%*	*+27*	*+0.9%*
Nobles Co.	625	10,281	$364,163,151	$35,412	*+45*	*+0.4%*	*+127*	*+1.3%*
Pipestone Co.	344	4,389	$139,208,655	$31,668	*+102*	*+2.4%*	*+147*	*+3.5%*
Redwood Co.	547	6,418	$208,731,072	$32,500	*-66*	*-1.0%*	*+59*	*+0.9%*
Rock Co.	302	3,491	$120,469,951	$34,476	*+580*	*+19.9%*	*+42*	*+1.2%*
State of Minnesota	**164,409**	**2,729,438**	**$140,857,248,755**	**$51,584**	***+166,047***	***+6.5%***	***+37,321***	***+1.4%***

Source: DEED Quarterly Census of Employment & Wages (QCEW)

With 10,240 jobs at 173 firms, manufacturing is the largest employing industry in Region 8, accounting for 18.8 percent of total jobs in the region. That is over 7 percent higher than the state's concentration of employment in manufacturing. In addition, Region 8 is still adding manufacturing jobs, gaining 559 jobs since 2010, a 5.8 percent increase. At $42,952 in 2014, average annual wages were nearly $8,000 higher in manufacturing than all industries.

The next largest industry in Region 8 was health care and social assistance, with 9,198 jobs at 320 firms, after gaining 468 net new jobs from 2010 to 2014. Due to the region's older population, the largest sector was nursing and residential care facilities, followed by ambulatory health care services, hospitals, and social assistance.

Retail trade is the third largest industry, with 6,081 jobs at 530 establishments. Wages are relatively low in retail trade, and the region has seen job declines over the past five years, despite economic growth.

The fastest growing industry in the region was administrative support and waste management services, which includes temporary staffing agencies, which added 411 jobs from 2010 to 2014, a 48.9 expansion. The region also saw rapid growth in agriculture, gaining 344 new jobs for a 27.8 percent increase.

Other important industries in Region 8 include educational services, accommodation and food services, public administration, wholesale trade, finance and insurance, construction, and transportation and warehousing. Ten of the 20 main industries in the region added jobs since 2010, with gains spread across manufacturing, health care, administrative support and waste management services, agriculture, professional and technical services, and finance and insurance (see Table 13).

Table 13. Region 8 Industry Employment Statistics, 2014

	2014 Annual Data				Avg.	*2010-2014*		*2013-2014*	
NAICS Industry Title	Number of Firms	Number of Jobs	*Percent of Jobs*	Total Payroll	Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Total, All Industries	**3,949**	**54,587**	**100.0%**	**$1,917,435,861**	**$35,100**	***+1,498***	***+2.8%***	***+269***	***+0.5%***
Manufacturing	173	10,240	18.8%	$439,776,867	$42,952	*+559*	*+5.8%*	*+253*	*+2.5%*
Health Care & Social Assistance	320	9,198	16.9%	$280,534,326	$30,472	*+468*	*+5.4%*	*+121*	*+1.3%*
Retail Trade	530	6,081	11.1%	$131,958,110	$21,684	*-4*	*-0.1%*	*+25*	*+0.4%*
Educational Services	76	4,472	8.2%	$166,123,458	$37,284	*-58*	*-1.3%*	*+5*	*+0.1%*
Accommodation & Food Services	265	4,209	7.7%	$56,014,702	$13,312	*+11*	*+0.3%*	*-44*	*-1.0%*
Public Administration	211	2,923	5.4%	$102,040,294	$34,996	*-118*	*-3.9%*	*-36*	*-1.2%*
Wholesale Trade	248	2,843	5.2%	$141,971,061	$49,920	*-8*	*-0.3%*	*+26*	*+0.9%*
Finance & Insurance	232	2,434	4.5%	$127,637,998	$52,416	*+117*	*+5.0%*	*+6*	*+0.2%*
Construction	515	2,269	4.2%	$95,293,554	$41,600	*+123*	*+5.7%*	*-21*	*-0.9%*
Transportation & Warehousing	274	2,087	3.8%	$70,747,775	$33,852	*-25*	*-1.2%*	*+85*	*+4.2%*
Agriculture, Forestry, Fish & Hunt	212	1,580	2.9%	$54,094,413	$34,164	*+344*	*+27.8%*	*-31*	*-1.9%*
Other Services	322	1,404	2.6%	$37,586,518	$26,728	*-104*	*-6.9%*	*+22*	*+1.6%*
Professional & Technical Services	186	1,261	2.3%	$62,484,182	$49,556	*+138*	*+12.3%*	*-34*	*-2.6%*
Admin. Support & Waste Mgmt.	102	1,252	2.3%	$43,509,849	$34,788	*+411*	*+48.9%*	*-9*	*-0.7%*
Management of Companies	8	717	1.3%	$53,934,228	$75,244	*-239*	*-25.0%*	*-85*	*-10.6%*
Information	68	505	0.9%	$16,089,846	$31,824	*-80*	*-13.7%*	*-14*	*-2.7%*
Arts, Entertainment & Recreation	80	440	0.8%	$5,529,323	$12,792	*-29*	*-6.2%*	*+15*	*+3.5%*
Utilities	30	321	0.6%	$22,187,413	$69,108	*-32*	*-9.1%*	*-24*	*-7.0%*
Real Estate & Rental & Leasing	87	263	0.5%	$6,345,350	$24,076	*+6*	*+2.3%*	*0*	*0.0%*
Mining	11	84	0.2%	$3,576,594	$40,976	*+17*	*+25.4%*	*+7*	*+9.1%*

Source: DEED Quarterly Census of Employment & Wages (QCEW)

DISTINGUISHING INDUSTRIES

As shown above, Region 8 stands out in the state for its higher concentrations of employment in manufacturing and agriculture, but has a broader list of industry sectors that are more prevalent in the region than the state. Region 8 has 2.0 percent of total state employment, but has over 10 percent of the state's jobs in support activities for agriculture, food manufacturing, and animal production and aquaculture, leading to location quotients above 5.0 (see Table 14).

Table 14. Region 8 Distinguishing Industries, 2014

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	**0**	**3,949**	**54,587**	**$1,917,435,861**	**$35,100**	**1.0**
Support Activities for Agriculture	115	38	251	$13,363,704	$53,560	5.7
Food Manufacturing	311	38	4,793	$205,473,674	$42,848	5.3
Animal Production & Aquaculture	112	117	1,103	$34,416,416	$31,148	5.2
Machinery Manufacturing	333	18	2,119	$100,745,441	$47,528	3.3
Wood Product Manufacturing	321	16	634	$25,716,821	$40,352	2.9
Truck Transportation	484	172	1,242	$45,871,037	$36,920	2.5
Furniture & Related Product Mfg.	337	10	455	$14,876,571	$32,708	2.4
Waste Management & Remediation Svcs.	562	13	253	$13,623,900	$53,820	2.0
Scientific Research & Development Svcs.	5417	4	328	$19,791,599	$60,476	2.0
Gasoline Stations	447	80	908	$16,208,724	$17,836	1.9

Source: *DEED Quarterly Census of Employment & Wages (QCEW)*

INDUSTRY PROJECTIONS

As noted above, Region 8 is part of the 23-county Southwest Minnesota planning region, which is projected to grow 2.7 percent from 2012 to 2022, a gain of 5,685 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for over 70 percent of total projected growth in the region from 2012 to 2022. The region is also expected to see significant employment growth in construction, professional and technical services, administrative support and waste management services, retail trade, wholesale trade, and accommodation and food services. In contrast, the region is expected to see declines in government employment, information, utilities, and other services (see Table 15).

Table 15. Southwest Minnesota Industry Projections, 2012-2022

Industry	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012-2022	Numeric Change 2012-2022
Total, All Industries	**207,849**	**213,534**	**+2.7%**	**+5,685**
Manufacturing	31,654	31,719	+0.2%	+65
Total Government	31,721	30,668	-3.3%	-1,053
Health Care & Social Assistance	25,529	29,605	+16.0%	+4,076
Retail Trade	20,071	20,404	+1.7%	+333
Accommodation & Food Services	11,915	12,153	+2.0%	+238
Wholesale Trade	8,262	8,526	+3.2%	+264
Other Services	8,312	8,265	-0.6%	-47
Construction	7,299	7,809	+7.0%	+510
Finance & Insurance	5,874	5,903	+0.5%	+29
Agriculture, Forestry, Fish & Hunt	5,389	5,519	+2.4%	+130
Transportation & Warehousing	5,123	5,317	+3.8%	+194
Professional & Technical Services	4,069	4,486	+10.2%	+417
Admin. Support & Waste Mgmt.	3,893	4,252	+9.2%	+359
Information	2,914	2,608	-10.5%	-306
Arts, Entertainment, & Recreation	2,507	2,551	+1.8%	+44
Management of Companies	1,977	2,072	+4.8%	+95
Educational Services	1,971	2,037	+3.3%	+66
Real Estate & Rental & Leasing	1,270	1,396	+9.9%	+126
Utilities	772	704	-8.8%	-68
Mining	383	458	+19.6%	+75

Source: *DEED 2012-2022 Employment Outlook*

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 8 were small businesses, with 56.8 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 32.2 percent had between 5 and 19 employees; with just 8.7 percent of businesses in the region 20 to 99 employees. Another 2.0 percent had 100 to 499 employees, compared to 2.4 percent of businesses in the state. Just 9 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Small businesses are vital to the region's economy (see Table 16).

Table 16. Employers by Size Class, 2013

	Region 8		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	2,108	56.8%	54.2%
5-9	706	19.0%	17.7%
10-19	491	13.2%	13.4%
20-49	252	6.8%	8.9%
50-99	71	1.9%	3.2%
100-249	64	1.7%	1.9%
250-499	11	0.3%	0.5%
500-999	6	0.2%	0.2%
1,000 or more	3	0.1%	0.1%
Total Firms	**3,712**	**100.0%**	**100.0%**

Source: U.S. Census, County Business Patterns

NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Region 8 was home to 8,318 self-employed businesses or "nonemployers" in 2013, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Much like covered employment, Region 8 has seen a slow but steady increase in nonemployers over the past decade, with 7 of the 9 counties seeing an increase. In sum, the region gained 161 new nonemployers from 2003 to 2013, a 2.0 percent increase. These nonemployers generated sales receipts of nearly $370 million in 2013 (see Table 17).

Table 17. Nonemployer Statistics, 2013

	2013		*2003-2013*	
	Number of Firms	Receipts ($1,000s)	*Change in Firms*	*Percent Change*
Region 8	**8,318**	**$368,727**	***+161***	***+2.0%***
Cottonwood Co.	812	$41,471	*+8*	*+1.0%*
Jackson Co.	770	$34,094	*+40*	*+5.5%*
Lincoln Co.	477	$16,424	*+32*	*+7.2%*
Lyon Co.	1,711	$79,280	*+63*	*+3.8%*
Murray Co.	731	$34,988	*+33*	*+4.7%*
Nobles Co.	1,284	$57,434	*-61*	*-4.5%*
Pipestone Co.	757	$33,186	*+53*	*+7.5%*
Redwood Co.	1,065	$40,297	*-54*	*-4.8%*
Rock Co.	711	$31,553	*+47*	*+7.1%*
State of Minnesota	**388,900**	**$17,268,230**	***+40,173***	***+11.5%***

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 8 is agriculture, with 7,621 farms producing more than $3.4 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 8 had 10.2 percent of the state's farms, and 16.1 percent of the state's total market value, led by Redwood, Nobles, Lyon, and Rock County, which were all among the top 17 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a 45 percent increase in the market value of products sold from 2007 to 2012 as many farms got bigger and commodity prices went up (see Table 18).

Table 18. Census of Agriculture, 2012

	Number of Farms	Market Value of Products Sold	*State Rank*	*Change in Market Value, 2007-2012*
Region 8	**7,621**	**$3,419,803,000**		***+45.3%***
Cottonwood Co.	813	$374,090,000	*23*	*+55.5%*
Jackson Co.	826	$376,361,000	*22*	*+40.8%*
Lincoln Co.	699	$198,598,000	*52*	*+47.0%*
Lyon Co.	904	$403,017,000	*16*	*+31.8%*
Murray Co.	895	$365,471,000	*24*	*+54.1%*
Nobles Co.	995	$477,617,000	*9*	*+38.9%*
Pipestone Co.	637	$307,898,000	*31*	*+74.5%*
Redwood Co.	1,163	$518,362,000	*5*	*+42.4%*
Rock Co.	689	$398,389,000	*17*	*+40.8%*
State of Minnesota	**74,542**	**$21,280,184,000**		***+61.5%***

Source: 2012 Census of Agriculture